

## RECOVERY RAMP-UP

Massachusetts stands ready to put the full \$54.9 million allocated to the State Energy Program to work quickly and productively. Massachusetts' planned activities build on a long track record on energy efficiency and renewable energy in the public and private sector, going back to the 1980s but invigorated substantially under the leadership of Governor Patrick. As of last year, our clean energy sector was the fastest growing sector in the state with 20% growth over the previous year. Massachusetts' experience and capacity ensures that we will successfully complete the planned State Energy Program (SEP) activities funded through the American Recovery and Reinvestment Act (ARRA).

Over the last several months, the Massachusetts Department of Energy Resources (DOER) has identified several activities based on input from a range of public and private stakeholders. This process generated a well-vetted list of \$1.16 billion in energy projects at state facilities. In addition, opportunities of similar scale and scope have been identified in the private sector. We plan to leverage federal SEP funds with private funds up to 6-fold, enabling us to advance up to \$330 million of energy projects.

Planned activities will maximize contribution to the goals of the SEP and to the goals of the Governor's Economic Recovery plan, as defined by the following criteria:

- Job creation or retention
- Long-term energy and environmental benefits
- Cost savings and beneficial impact on operating budgets
- Regional equity
- Reinforcing Massachusetts' strengths
- Alignment with Development Cabinet Priorities

### **Job Creation/Retention, Energy Savings, Renewable Energy Production, Reduction of Greenhouse Gas Emissions**

Planned activities were selected to stimulate and retain jobs, produce energy savings, increase energy production from renewable resources, reduce greenhouse gas emissions, and result in energy costs savings on an expedited basis. The following table presents the estimates for each planned activity regarding these metrics.

<b>Program</b>	<b>Job Created/ Retained<sup>^</sup></b>	<b>Energy Savings (MMBtu)</b>	<b>Energy Production from Renewable Resources (MMBtu)</b>	<b>Reduction in GHG Emissions (metric tons)</b>	<b>Energy Cost Savings</b>
Massachusetts Solar Stimulus	652		32,290	4,260	\$1,419,120
Energy Efficiency for State Facilities	3340	458,980		42,300	\$11,474,556
Massachusetts Energy Efficiency Transformation	326	87,500		8,070	\$2,187,500

<sup>^</sup> Based on one job per \$92,000 of project cost as required by DOE.

### **Commitment to Create or Expand Programs**

Massachusetts understands and will adhere to the requirement that ARRA SEP funds will be used only to create new programs or expand existing programs and will not be used to supplant or replace existing funding:

- The Massachusetts Solar Stimulus is a new effort that will help advance large solar projects at state facilities, many in excess of 500kW, in a volume procurement leveraging power purchase agreements. In the past, public solar projects often took advantage of a combination of our Commonwealth Solar program rebates and the Federal Clean Renewable Energy Bonds (CREB) program. Public solar projects that are not part of the Solar Stimulus will continue to be able to take advantage of our Commonwealth Solar program. In this sense, the Solar Stimulus is additive to our Commonwealth Solar program.
- Massachusetts has an ongoing Leading By Example program in the Department of Energy Resources that works with state agencies and the energy group in the state's building management entity, the Division of Capital Asset Management, to advance energy efficiency retrofits of state facilities, often through performance contracts. SEP funds will be used to hire *additional* project management staff required to accelerate retrofits considerably, with a goal of initiating work on a planned 4-year pipeline of performance contracts in 18 months. In addition, SEP funds will allow us to “buy down” the installed cost of a few innovative technologies with longer payback horizons and roll them into performance contracts. Historically, our program has not been able to fund innovative technologies in this way. In this sense, the Energy Efficiency for State Facilities is additive to existing efforts.
- DOER is proud of progress to date under the Green Communities Act, signed by Governor Patrick on July 2nd 2008, which requires a significant expansion of efficiency programs operated by all investor-owned electric and gas utilities and one municipal aggregator in the Commonwealth. We are in the process of

implementing sections of that Act that we expect will double or triple the energy saving programs available to residents. As such, DOER proposes to use SEP funds to pilot transformational programs for energy efficiency retrofits of buildings that are additive to those plans.